Before the State of South Carolina Department of Insurance

In the Matter of:)	
)	Consent Order
Houston General Insurance Company,)	
)	
4055 International Plaza)	File Number 1999284-004-045
Fort Worth, Texas 76109.)	100684
)	

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Houston General Insurance Company, an insurer licensed to transact business in the State of South Carolina.

Houston General acknowledges that it failed to timely provide requested information to the Department's Office of Insurer Licensing and Solvency Services. Houston General maintains that this is the result of oversight and is in no way an intentional violation of South Carolina law. However, this is a direct violation of S.C. Code Ann. § 38-13-160 (Supp. 1998).

Prior to the initiation of any administrative proceedings by the Department against Houston General, the parties agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision, rather than to proceed toward a formal public hearing. The consensual recommendation was that, in lieu of the Department seeking to revoke Houston General's certificate of authority, the insurer waive its right to a public hearing and immediately pay the amount of \$500 to the Department.

Section 38-13-160 of the South Carolina Code states that, "The director or his designee may require any authorized insurer or its officers to answer any inquiry in relation to its transactions, condition, or any connected matter necessary to the administration of the insurance laws of the State. Every corporation or person must reply in writing to the inquiry promptly and truthfully, and every reply must be verified, if required by the director or his designee, by the individual or by the officer or officers of a corporation as he designates." Section 38-5-120 states, in pertinent part, that the Director of Insurance "shall revoke or suspend certificates of authority granted to an insurer...if he is of the opinion upon examination or other evidence that...(t)he insurer has not complied with the law or with the provisions of its charter." Alternatively, § 38-5-130 provides that in lieu of license revocation or suspension, the Director may impose a monetary penalty as provided in § 38-2-10.

Houston General Ins. Co.

After a thorough review of the record, carefully considering the recommendation of the parties, and pursuant to my findings of fact, I hereby conclude as a matter of law, that Houston General has violated S.C. Code Ann. § 38-13-160 (Supp. 1998). In the interest of resolving this matter quickly and amicably, though, I hereby invoke the discretionary authority given to me and require Houston General to pay \$500 to the Department within ten days of the date of my signature upon this consent order. If that total fine amount is not timely paid, the insurer's certificate of authority will be revoked without any further disciplinary proceedings.

This agreement has been reached by the parties as a result of negotiation and compromise, and in consideration of Houston General's assurance that it will timely respond to this Department's future requests for information. By the signature of one of its officers or authorized representative upon this consent order, Houston General acknowledges this administrative order as a public record subject to the disclosure requirements of the State of South Carolina's Freedom of Information Act, S.C. Code Ann. §§ 30-4-10, et seq. (1991 and Supp. 1998).

Nothing contained within this administrative order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement officer or judicial officer. Nothing contained within this administrative order should be construed to limit the statutory duty, of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report." See S.C. Code Ann. § 38-3-110 (Supp. 1998).

It is, therefore, ordered that Houston General Insurance Company shall, within ten days of the date of my signature on this consent order, pay \$500 through the South Carolina Department of Insurance.

It is further ordered that a copy of this consent order be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective as of the date of my signature below.

JAN 5, 2000 November 1999

Columbia, South Carolina

rnst N'. Csiszar

Director

Houston General Ins. Co.

I CONSENT:
Signature
RICHARDS A. CADY
Printed Name
FINANCE SUPERVISOR
Title

Houston General Insurance Company 4055 International Plaza
Fort Worth, Texas 76109

Dated this _____day of November 1999.